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ABSTRACT

     A method and system for tracking and enforcing mutual put, i.e. early termination, requirements for contracts between a first financial institution and a second financial institution for underlying financial instruments is disclosed. The mutual puts comprise an option to unwind the underlying financial instrument at a future time. One embodiment of the system includes storing a plurality of sets of mutual put requirements for a plurality of trading parties, each set of mutual put requirements established by a first party for trades with a counterparty; receiving a trade indication identifying a pair of trading parties; retrieving the mutual put requirements for each of the counterparties; and calculating a set of mutual put parameters for the trade based on the stored bilateral mutual put requirements. The system may further verify that the trade entered into between the parties meets the calculated set of mutual put parameters.